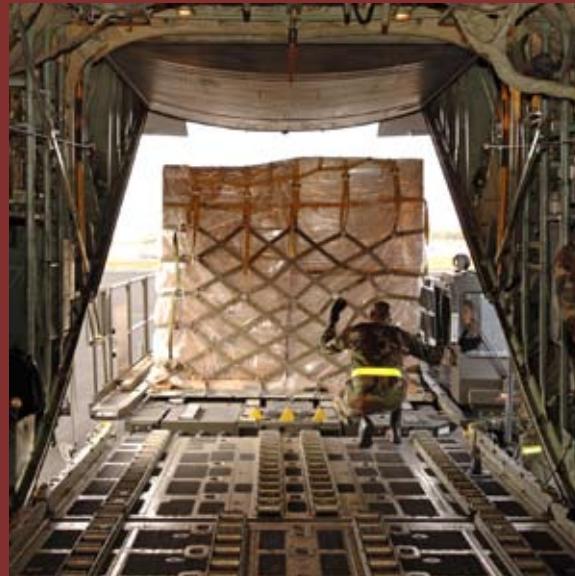




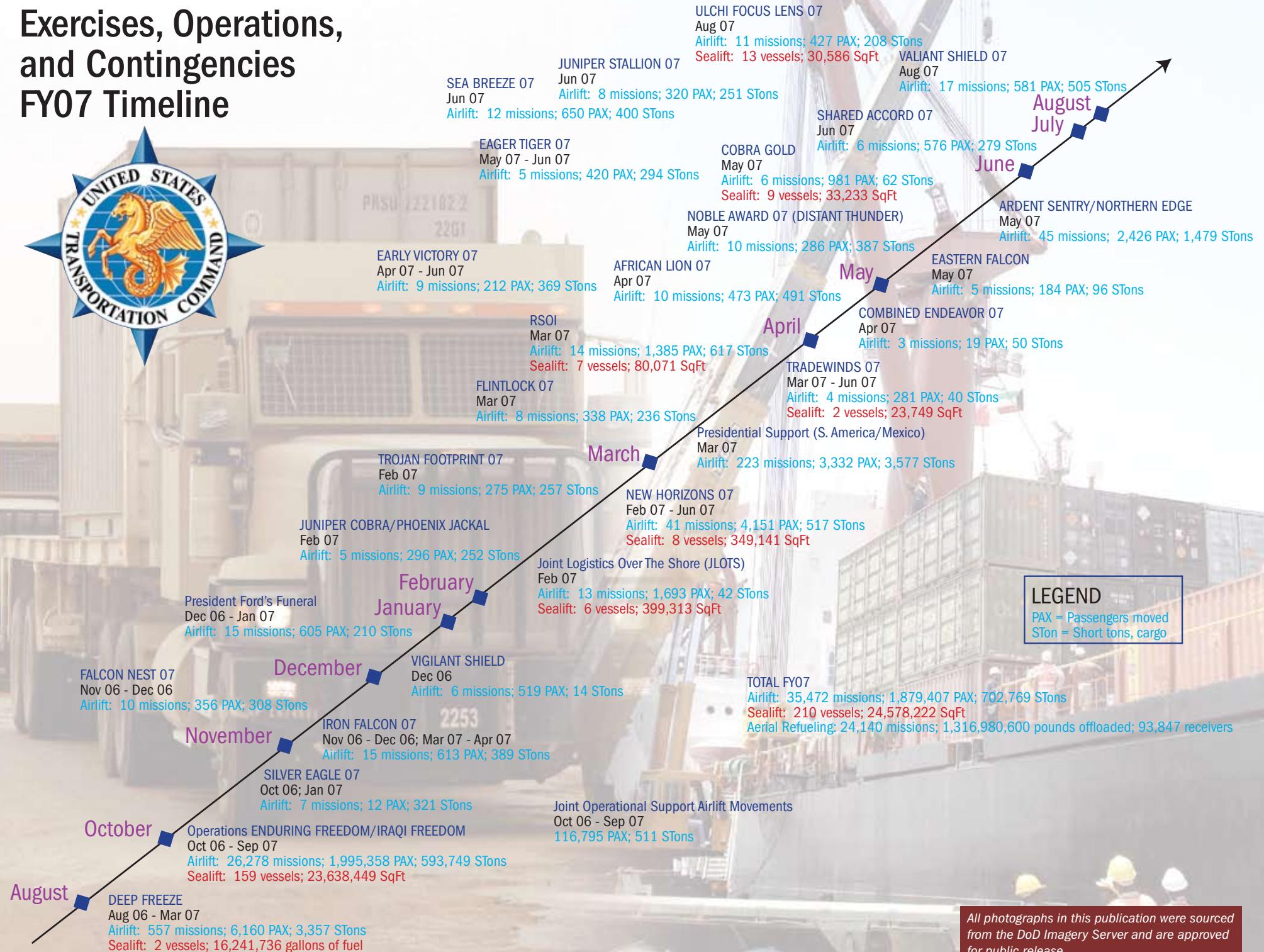
USTRANSCOM



2007
Annual
Report

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Exercises, Operations, and Contingencies FY07 Timeline



All photographs in this publication were sourced from the DoD Imagery Server and are approved for public release.

Commander's Statement

Collaboration, communication, and integration are the driving forces today at the United States Transportation Command. All 155,000 of us – transporters, logisticians, information technology, and supply chain management professionals – continue to transform our operations to gain effectiveness and efficiency by acting less like bureaucrats and more like joint warfighters.

We're taking pages from our commercial partners' playbooks, especially in such areas as radio frequency identification, inter-modal shipping, satellite and internet communications, and single-source billing. By coordinating the defense supply chain among all the players – within government and throughout civilian enterprises – we keep our promise to the warfighter that what's ordered will arrive in good shape, when and where it's needed.

We're proving the wisdom of assigning a single-entity responsibility for doing just that, for orchestrating the defense supply chain all the way from the factory and warehouse to the final point of use. We are also having a dramatic and life-saving effect on evacuating our combat casualties. We're talking hours, not days or weeks, to bring our wounded heroes home and – even as they're en-route – to provide them with the best medical care in the world. Fulfilling our inviolate contract with our men and women in uniform is a point of personal pride for every one of us. The USTRANSCOM team is meeting the challenge to shorten the time it takes to get to the fight, more effectively sustain the warfighter, support rapid force maneuver and patient movement and – finally – to bring the warfighter home. Our combatant commanders are gaining the "on time, every time" confidence they need to meet their immediate and emerging needs, to field highly-mobile, agile, rapidly deployed assets against an asymmetrical and often stateless enemy.

Perhaps the greatest acknowledgement of that confidence comes with the assignment of even broader responsibilities. In addition to – and complementing – our roles as both the single manager of the Defense Transportation System and as Distribution Process Owner, we are now also the lead proponent for automated information technology. Because we know well that our strength lies in collaborative partnerships, that creativity is not a solo sport, we will pursue these advantages with our partners, with real, positive effect for our warfighters.

Our \$10 billion sea-land-air transportation enterprise has performed well. Every time it has been called on, typically with short notice, to deliver America's armed forces for military or humanitarian purposes around the globe – whether it is last winter's surge into US Central Command or simultaneously supporting a Presidential funeral on both coasts – our promises given have been, almost without exception, promises kept.

That is our bottom line. I am proud of what our team does to "keep the promise."



NORTON A. SCHWARTZ
General, USAF
Commander



Our Mission

Develop and direct the Joint Deployment and Distribution Enterprise to globally project strategic national security capabilities; accurately sense the operating environment; provide end-to-end distribution process visibility; and responsive support of Joint, US Government, and Secretary of Defense-approved multinational and non-governmental logistical requirements.

*USTRANSCOM
Mission Statement*

Provide rapid, global mobility and sustainment for America's armed forces.

*AMC
Mission Statement*

United States Transportation Command's (USTRANSCOM's) core competencies are evolving beyond planning and executing inter-theater transportation. Since 2003, USTRANSCOM has been responsible for the synchronization and interoperability of distribution-related activities supporting force projection, sustainment, and redeployment/retrograde of military forces and materiel. USTRANSCOM is a supporting command improving Department of Defense (DOD) distribution to increase the Joint Force Commander's freedom of action across the full range of military operations. USTRANSCOM's assigned responsibilities are:

- Provide common-user and commercial air, land, and sea transportation, terminal management, and aerial refueling
- Develop and implement global joint mobility sourcing solutions from all mobility forces and capabilities
- Act as the Distribution Process Owner (DPO), overseeing the overall effectiveness, efficiency, and alignment of DOD-wide distribution activities, including force projection, sustainment, and redeployment/retrograde operations
- Serve as the Distribution Portfolio Management (DPfM) Manager to include managing the information technology of the distribution portfolio
- Provide global patient movement
- Serve as the DOD single manager for Operational Support Airlift assets

USTRANSCOM executes its mission through three component commands: Air Mobility Command (AMC), Military Sealift Command (MSC), and the Military Surface Deployment and Distribution Command (SSDC).

The Reserve Component, an Integral Part of USTRANSCOM

The Reserve Component represents 56.3 percent of the total USTRANSCOM force, and is fully integrated into the Active Component to provide global air, land, and sea transportation support to meet national security objectives. Since 11 September 2001, the Reserve Component has consistently provided an additional 90 man-years of support to USTRANSCOM, each fiscal year.

Air Mobility Command

AMC, the air component to USTRANSCOM, is responsible for providing capability across the spectrum of air mobility operations including airlift, air refueling, aeromedical evacuation, and air mobility support. As an Air Force major command, AMC organizes, trains, equips, and operates assigned mobility forces to meet inter-theater and, when assigned through established DOD procedures and at the request of the unified combatant commander, intra-theater air mobility requirements worldwide.

Historically, airlift and air refueling capabilities are always in very high demand, and current operations supporting the Global War on Terrorism continue at a very high pace. During fiscal year 2007, 269,184 short tons of cargo and equipment, and 152,875 passengers moved on AMC scheduled channel airlift missions. Special Assignment Airlift Missions and contingency missions accounted for 297,022 short tons of cargo and equipment and 1,245,839 passengers.

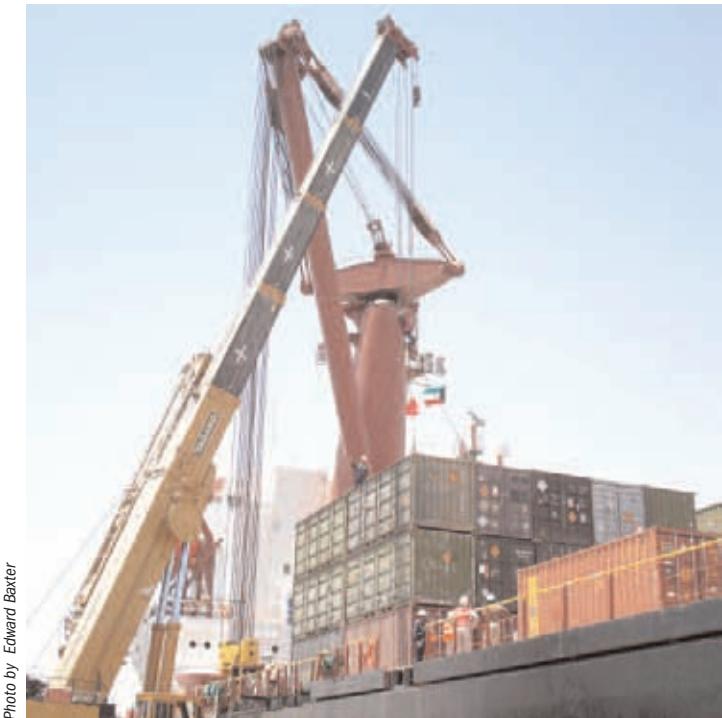


Photo by Kenn Mann

C-17 Globemaster III and KC-10A Extender aircraft line up waiting to take off during an elephant walk at McGuire Air Force Base, N.J. The elephant walk is a uniquely Air Force term that grew out of World War II and became institutional memory in the new Air Force.

Military Sealift Command

MSC provides ocean transportation through organic and chartered commercial ships for USTRANSCOM, delivering combat equipment, vehicles, fuel, supplies, and ammunition to sustain US forces worldwide during peacetime and in war for as long as operational requirements dictate. During combat operations, more than 90 percent of all the equipment and supplies needed to sustain the US military forces is carried by sea. MSC provides both common-user strategic sealift capability and theater-specific prepositioned support through its four distinct business areas: Tanker Operations, Dry Cargo, Strategic Surge, and Afloat Prepositioned Force-T.



MSC-chartered ship MV Virginian off-loads containers of ammunition in Kuwait.

Military Surface Deployment and Distribution Command

SDDC serves as the single surface deployment and distribution provider through the surface movement of all DOD cargo, traffic and freight management, household goods, privately owned vehicles, and operation of 24 worldwide seaports. SDDC achieves its success in deploying, sustaining, and distributing Defense Department equipment and supplies by leveraging the capability of commercial industry and other military services. On any given day, more than a thousand trucks, 10 trains, and 70 vessels are carrying cargo for SDDC. The cargo can be anything from military trucks, ammunition, household goods, or humanitarian supplies.

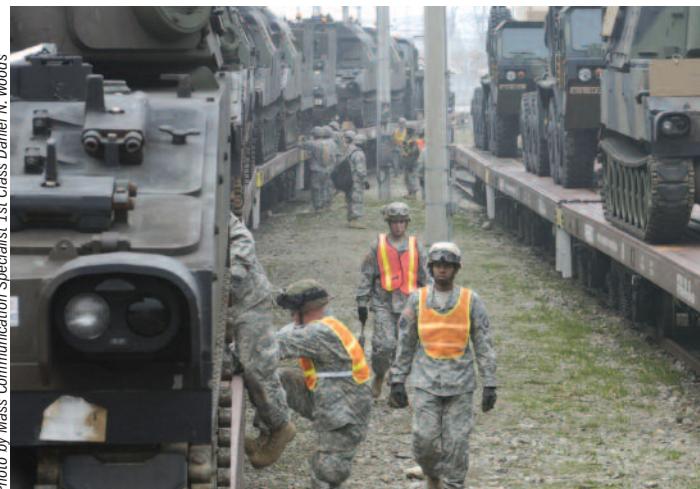


Photo by Mass Communication Specialist 1st Class Daniel N. Woods

Soldiers from the 662nd Movement Control Team, 25th Transportation Battalion, 501st Sustainment Brigade observe the arrival of M109A6 Paladin self-propelled howitzers via rail car at Camp Casey, South Korea.

On 18 April 1987, the President directed the Secretary of Defense to establish USTRANSCOM to integrate global air, land, and sea transportation. USTRANSCOM was activated 1 October 1987.

Provide ocean transportation via organic and chartered commercial ships, delivering combat equipment, vehicles, fuel, supplies, and ammunition to sustain US forces worldwide during peacetime and in war for as long as operational requirements dictate.

MSC Mission Statement

Provide global surface deployment and distribution services to meet the nation's objectives.

SDDC Mission Statement

Creating World-Class Deployment and Distribution Solutions

"USTRANSCOM, its components, and its national partners participate in a \$9 billion enterprise that has moved 3.3 million passengers and more than eight million tons of cargo in the years since 9/11."

*General Norton A. Schwartz,
Commander, USTRANSCOM
Defense Transportation Journal,
Dec 2006*



Photo by Corporal Michael J. O'Brien

US Marines from Transportation Support Company, 2nd Maintenance Battalion travel over alternate supply route Long Island during a combat logistics patrol to Camp Ramadi, Iraq.

State of the Joint Deployment and Distribution Enterprise

In fiscal year 2007, USTRANSCOM, serving as the DPO, fully embraced its central role in developing, coordinating, and synchronizing the Joint Deployment and Distribution Enterprise (JDDE). An end-to-end JDDE, as described in the Joint Logistics (Distribution) Joint Integrating Concept and subsequent Initial Capabilities Document serves as the foundation for USTRANSCOM's strategic plan and is clearly the DPO's central focus. A major thrust during fiscal year 2007, the command's development of JDDE metrics is a significant step forward to identifying and driving end-to-end process improvements. Continued evolution of deployment and distribution capabilities such as the Joint Deployment Distribution Operations Center, Joint Task Force-Port Opening, and Director of Mobility Forces-Surface all serve to address seams in the joint distribution pipeline. Furthermore, USTRANSCOM initiated a comprehensive Theater Enterprise Deployment and Distribution effort to produce a template that fully integrates JDDE control across the strategic to theater level continuum. USTRANSCOM's leadership in Distribution Portfolio Management continues to provide highly successful efforts to gain visibility over JDDE operations and drive data and system improvements. While there is much to do to build an integrated, end-to-end JDDE, in the past year USTRANSCOM has clearly charted a course to move the JDDE closer to the desired end-state. In essence, this entire report serves as evidence of the commitment USTRANSCOM has placed on building a unified JDDE that leads to trust and confidence the "system" will deliver.

Joint Task Force – Port Opening

During this fiscal year, USTRANSCOM brought to fruition a major distribution initiative: Joint Task Force-Port Opening (JTF-PO). This joint expeditionary capability enables USTRANSCOM to rapidly establish and initially operate a port of debarkation and a distribution node, facilitating port throughput in support of combatant commander-executed contingency response. The JTF-PO Aerial Port of Debarkation (APOD) unit consists of elements from the AMC Contingency Response Group

at McGuire Air Force Base, NJ and a single 55-person surface element sourced from Army Reserve units and based at nearby Fort Dix, NJ that are ready to deploy in 12 hours. A set of three 55-person teams is currently undergoing the sourcing process and is expected to begin transition to active duty Army forces at Fort Eustis and Fort Story, VA, in fiscal year 2008. During fiscal year 2007, the APOD forces participated in ARDENT SENTRY 07 to demonstrate the capabilities that USTRANSCOM can provide to the Geographic Combatant Commander. USTRANSCOM deployed the APOD's Joint Assessment Team in support of Hurricane Dean in August 2007.

The JTF-PO Sea Port of Debarkation (SPOD) unit is similar to the APOD in that it addresses historical distribution gaps and shortfalls associated with ports of debarkation. The SPOD unit provides the following capabilities:

- Jointly trained and led elements with habitual relationships
- A designed capability to quickly assess and open a distribution node and network
- Organic or contract transportation which will rapidly clear cargo
- A Joint Assessment Team to conduct focused port and distribution assessment
- Dedicated elements to conduct movement control operations and cargo onward movement
- Organic in-transit visibility to provide visibility of forces and cargo at both the port of debarkation and the forward distribution node

The JTF-PO SPOD is a modular, scalable force with a maximum size of 163 personnel. These forces remain with their parent unit until notified by USTRANSCOM after which they are prepared to depart in 36 hours. They provide a joint expeditionary capability to combatant commanders for the discharge of 550 twenty-foot equivalent units every 72 hours, or 250,000 square feet, minus broken storage. The JTF-PO SPOD moves cargo to a forward distribution node up to 10 kilometers from the seaport in preparation for movement into theater by combatant commander forces. The Commander, USTRANSCOM approved the JTF-PO SPOD Concept of Operations in June 2007.

Human Capital Development

USTRANSCOM has undertaken several initiatives designed to develop its human capital, build a cadre of trained and experienced joint logisticians, and improve the way the command does business from a global supply chain perspective. As the JDDE looks to optimize all aspects of the distribution system from the source of supply to point of effect, USTRANSCOM developed the JDDE Competency Model and the Distribution Academy to ensure its personnel know and understand distribution operations and can apply supply chain principles throughout the DPO's span of influence.

The JDDE Competency Model identifies the spectrum of core competencies and knowledge, skills, and abilities needed to be effective in accomplishing the DPO's mission. After applying the model to its billets, USTRANSCOM identified competency requirements for approximately 350 positions. Although USTRANSCOM has applied the model to its command staff, it is a useful tool to identify requirements for the entire JDDE. The Joint Staff J-4 is reviewing the JDDE Competency Model as a potential template for the development of a similar model for the entire logistics community.

USTRANSCOM established the Distribution Academy as an educational program to meet the learning requirements identified through the JDDE Competency Model and to ensure the command's workforce is prepared for and effective in their DPO role.



SDDC file photo
SDDC Soldier prepares documentation ensuring accuracy of information for a bill of lading.

The academy program is organized in two phases: an orientation course and a supply chain management program. Phase 1 is comprised of three blocks. Block 1 of the Orientation Course consists of a DPO Overview, Commander's Guidance, Strategic Plan, USTRANSCOM Concepts and Initiatives, and staff officer training. Block 2 targets the command's JDDE billets and is an Introductory Supply Chain Management Course provided by the Industrial College of the Armed Forces. Block 3 is an overview of the Fusion Center for those men and women who will staff USTRANSCOM's new Fusion Center. Phase 2, the Supply Chain Management Program, will tie together the best university programs with DOD and commercial web-based courses.

The Distribution Academy will help ensure the command's workforce receives the education and training it needs to achieve command strategic guidance to "develop joint logisticians who are trained and experienced to manage deployment and distribution for warfighters in joint, inter-agency, and multinational environments."

Joint Distribution Process Analysis Center

The Joint Distribution Process Analysis Center (JDPAC) continues to integrate the analytical capabilities of AMC's Directorate of Analysis, Assessments, and Lessons Learned; elements of USTRANSCOM's Directorate for Strategy, Policy, Programs, and Logistics; and SDDC's Transportation Engineering Agency (SDDCTEA) into a synergized, consolidated operation. In July 2007, SDDCTEA began moving its operations from Newport News, VA to Scott Air Force Base, IL. On 13 August 2007, the front office operations of JDPAC transferred from Newport News to Scott Air Force Base. Over the past year, the JDPAC has completed and supported numerous studies to include the Joint Integrated Theater Distribution Assessment, Chief of Staff Inquiry: Mobility Impact of Army/Marine Increase, and an Operation IRAQI FREEDOM Theater Airlift Quick Look assessment. This is in addition to the monthly analyses that the JDPAC conducts to support the Command's Integrated Distribution Lane performance assessments. The JDPAC's ultimate goal is to be DOD's first choice for major analytical projects.

"As the Services evolve to meet future challenges, we must be in concert with them, anticipating their requirements for innovative mobility and distribution strategies.

To meet those challenges we are exploring new ways to provide support to the future force."

General Norton A. Schwartz,
Commander, USTRANSCOM

"The changing role of the Reserve Component and the ever increasing needs of USTRANSCOM for unique skill sets have allowed the Reserve Component to become completely integrated into the day-to-day operations of USTRANSCOM."

Maj Gen Harold L. "Mitch" Mitchell
Commander, Joint Transportation Reserve Unit

Creating World-Class Deployment and Distribution Solutions

Theater Enterprise Deployment and Distribution

"This is not a question of ownership. It is a question of orchestration of (the) DOD supply chain in a way that supports the warfighter better and that brings more value to those that are involved in it."

*General Norton A. Schwartz,
Commander, USTRANSCOM*

In fiscal year 2007, USTRANSCOM quickly took action following Joint Requirements Oversight Council approval of the Joint Logistics (Distribution) Joint Integrating Concept and associated Initial Capabilities Document to build further on the JDDE. One of the key tasks identified was the development of a common set of control capabilities for every theater to operate as part of a unified JDDE, moving forces and sustainment to the point of need or Service hand-off point in the combatant commander's area of responsibility. Current capabilities are not integrated, or they vary widely between each combatant commander, limiting the ability to plan and execute movements throughout the joint distribution pipeline.

USTRANSCOM initiated the Theater Enterprise Deployment and Distribution effort to identify analytically the needs and develop solutions for the theater to accomplish control functions including operational planning and optimization, movement requirement identification, and movement performance assessment. This USTRANSCOM effort will produce a template for control of theater movements by January 2008.



Photo by Specialist Christa Martin

US Air Force Airmen from the 557th Expeditionary Red Horse Squadron transporting construction supplies from Forward Operating Base Marez, Mosul, to Contingency Operating Base Speicher, Iraq.

Cost Avoidances

From fiscal year 2004 through September 2007, actions taken by the JDDE have avoided or saved \$1.58 billion in cost. The savings accrue to Global War on Terrorism supplementals and allow the Services to purchase other high priority items.

DPO Cost Avoidances (FY04-FY07)

Transportation Initiatives

Air-to-surface conversion	\$1,458.2
Truck-to-rail conversion	\$11.3
Other	\$23.2
Total Transportation	\$1,492.7

Materiel Initiatives

Supply interventions resulting in order cancellation	\$22.5
Cancellation of refrigerated container contract	\$31.2
Identifying "lost" equipment/returning to supply system	\$28.9
Other	\$3.8
Total Materiel	\$86.4
Total Cost Avoidance	\$1,579.1

(Dollars in Millions)

A Framework for DPO Performance Measures

Developing meaningful customer-focused performance standards to assess the health and performance of the JDDE is a high priority initiative for the DPO. In cooperation with its National Partners, USTRANSCOM is developing the JDDE Performance Measures Framework to focus on supply chain performance, reliability, and cost, and to gain insights into system behavior in order to identify the "levers and dials" that drive tangible improvement.

The Performance Measures Framework is the result of inputs gained from extensive "voice of the warfighter" surveys and interviews and the translation of the warfighters' needs into a comprehensive set of metrics. These metrics are key enablers to aligning the actions of the JDDE partners toward providing the support to the warfighter envisioned in the Joint Logistics (Distribution) Joint Integrating Concept.

The Performance Measure Framework provides the structure within which the DPO, in collaboration with the National Partners, will establish strategic distribution metrics for the JDDE. The "voice of the warfighter" survey identified four key performance indicators to assess the JDDE. The performance indicators that comprise the Performance Measure Framework are:

- **Precision.** Acceptable lead-time for delivery of personnel, supplies, or cargo based upon mission criticality and time between request and time of need
- **Reliability.** Consistent delivery of personnel, supplies, or cargo to the right place, in the right condition, on an agreed upon delivery date
- **Information Visibility.** Provides the warfighter and supply chain operators access to the supply chain and includes the appropriate content and quality of information to track requisitions through the system and enable effective decisions
- **Efficiency.** Using wise stewardship of resources while meeting warfighter expectations

USTRANSCOM recently completed another successful Joint Logistics Over-the-Shore (JLOTS) exercise in Puerto Quetzal, Guatemala. Planning for the exercise began in March 2006, coordinating with US Southern Command (USSOUTHCOM) to deliver equipment destined for Exercise NEW HORIZONS. NEW HORIZONS is a USSOUTHCOM humanitarian support exercise designed to help our neighbors in Guatemala and Belize.

More than 1,000 sailors and soldiers from the Navy's Naval Beach Group One and the Army's 6th Transportation Battalion augmented by MSC, SDDC, and other Active and Reserve Army and Navy units joined with three MSC ships.

JLOTS is the process of loading and unloading of ships without the benefit of deep draft-capable, fixed port facilities; or as a means of moving forces closer to tactical assembly areas.



Photo by Mass Communication Specialist Seaman Omar Dominguez

Equipment rolls down the stern ramp of MSC large, medium-speed, roll-on/roll-off ship USNS Soderman and onto the improved Navy lighterage system during the JLOTS exercise in Guatemala.

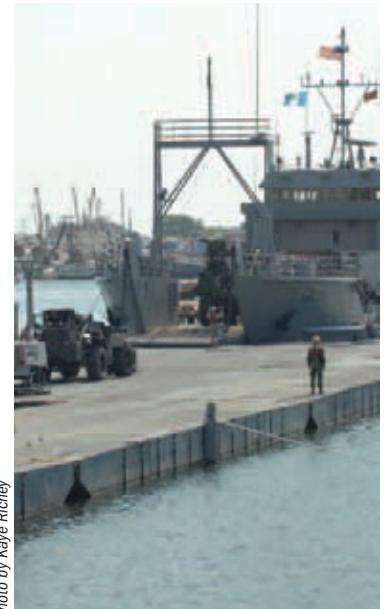


Photo by Kaye Richey

US Army Landing Craft Utility 2000 from Fort Eustis, VA, offloads vehicles during the JLOTS exercise in Puerto Quetzal, Guatemala.

Commercial Partners

USTRANSCOM's commercial partners are invaluable in the support of the nation's global national security commitments. USTRANSCOM would have a difficult time meeting its wartime requirements without its unique partnerships with civilian industry since the backbone of the nation's lift capacity lies in its commercial fleets. The command uses business incentives to create wartime capacity, ensure readiness within the civilian sector, and exercise frequently used procedures for fluid transition to support contingencies.

Civil Reserve Air Fleet

The Civil Reserve Air Fleet (CRAF) is a voluntary partnership between the Defense Department and commercial carriers designed to augment military airlift with commercial aircraft during times of crisis. The airlines contractually pledge aircraft for activation when needed. As an incentive for committing aircraft to the program and to ensure adequate airlift reserves, AMC makes peacetime airlift business available to the air carriers. Three stages of incremental activation provide an adaptable airlift force suitable for the contingency at hand. USTRANSCOM normally activates Stage 1 for minor regional crises, Stage 2 for large-scale major combat operations, and Stage 3 during periods of national mobilization. Secretary of Defense approval is required before any activation.

Civil Reserve Air Fleet Support	
Commercial Companies (CRAF Partners)	37
Troops Carried	1,164,455
Cargo (Short Tons)	197,922
CRAF Missions	8,514



Photo by Mass Communication Specialist Seaman Apprentice Scott C. Rancilio

More than 250 US Navy cargo handlers assigned to Naval Expeditionary Logistics Support Group Delta return to Norfolk, VA upon completion of their mission to conduct port operations in Kuwait and air cargo handling operations in Iraq.

Voluntary Intermodal Sealift Agreement

The Voluntary Intermodal Sealift Agreement (VISA) is a contractual arrangement for obtaining time-phased access to militarily useful US-flagged commercial dry cargo sealift capacity, infrastructure, and intermodal capability to support DOD contingency requirements. VISA provides DOD wartime access to sealift capacity and intermodal infrastructure in return for peacetime business preference. When needed, VISA is activated in three stages of increasing levels of commitment. All major US-flagged carriers participate in the VISA. Of the total US-flagged dry cargo fleet, almost 95 percent are enrolled, providing roll-on/roll-off and container ships, break bulk ships, and seagoing tugs and barges.

Voluntary Intermodal Sealift Agreement	
Cargo Vessels	223
Participating Carriers	51
Twenty-foot Equivalent Units	203,277
Square Footage	7,272,542
Measurement Tons	364,244



MSC file photo
Six of MSC's 19 large, medium speed, roll-on/roll-off ships are tied up at Newport News, VA.



MSC file photo
US Army Strykers off-load from USNS Mendonca.

National Port Readiness Network

Through coordination and cooperation among its members, the National Port Readiness Network ensures the readiness of military and commercial ports for the deployment of military personnel and cargo in the event of mobilization or a national defense contingency. Chaired by the US Maritime Administration, the National Port Readiness Network is comprised of components of USTRANSCOM, the US Army Forces Command, and other agencies, including the US Army Corps of Engineers, US Coast Guard, and Transportation Security Agency. Additionally, each of the 15 commercial strategic seaports located throughout the continental US and Alaska has a Port Readiness Committee that coordinates with these agencies to ensure the readiness of the port network.

Global Projection of National Security Capabilities

Surface Lift

"Without mobility, no great nation can project power abroad or long sustain its forces far from home. With it, America delivers justice to its enemies and humanitarian aid to victims of disaster around the world."

General Duncan J. McNabb,
Former Commander,
Air Mobility Command



US Air Force Senior Airman Cecilia Fuller checks the cargo pallet content listing to ensure all pallets are properly labeled while fellow Airmen strap down to secure cargo on Charleston Air Force Base, SC.

worldwide operations. Additionally, MSC has delivered more than 11 billion gallons of fuel for ground vehicles, aircraft, ships, and power generation.

SDDC provides logistical support teams around the world supporting the warfighter by managing all aspects of surface movements.

During fiscal year 2007, along with mission accomplishments, the command relocated its headquarters from Alexandria, VA, elements from its Fort Eustis headquarters, and the Transportation Engineering Agency from Newport News, VA to Scott Air Force Base, IL.

SDDC synchronized 153 vessel operations and related land movements by truck, rail, and barge supporting Operations IRAQI FREEDOM and ENDURING FREEDOM, and humanitarian aid missions—moving 10,503,299 square feet of unit cargo—enough cargo to fill 219 football fields.

SDDC is a transportation command without owning a single truck, train, or boat and represents a major business enterprise, procuring more than \$1.1 billion annually in commercial truck, rail, barge, pipeline, and ocean transportation services.

Sealift

Operating an average of 30 ships daily for USTRANSCOM missions, MSC is heavily involved in the ongoing Global War on Terrorism, as well as peacekeeping operations, humanitarian missions and exercises, supporting the ocean transport needs of US and allied forces around the world. Since 11 September 2001, the command has delivered more than 97 million square feet of combat vehicles, equipment, and supplies to Army, Marine Corps, Air Force, and Navy warfighters engaged in

Airlift

AMC provides responsive airlift with the ability to act quickly, applying both speed and precision in moving DOD forces and resources worldwide. AMC's fleet and air mobility team work continuously to support our troops in the Global War on Terrorism by moving fuel and supplies, and airlifting America's wounded heroes aboard aeromedical missions across the globe. AMC also helps extend compassion and friendship by airlifting humanitarian supplies to disaster victims at home and throughout the world. During fiscal year 2007, AMC's airlift support accounted for 702,769 short tons of materiel and equipment.

Aerial Refueling

AMC's air refueling fleet is critical to both global air mobility and combat air power. Aerial tankers magnify the range, payload capacity, and flexibility of the airlift fleet, and directly support warfighting commanders by refueling multi-Service and allied combat aircraft. During fiscal year 2007, aerial tankers operated 24,140 missions, offloading 1.3 billion pounds of fuel while supporting the Global Reach and combat support missions. In the gulf region, American and allied troops deployed for Operations IRAQI FREEDOM and ENDURING FREEDOM received continuous support as AMC tankers helped sustain combat operations by refueling Air Force, Navy, Marine Corps, and allied strike aircraft. Tankers also operated 305 missions refueling combat air patrols over the Continental United States as Operation NOBLE EAGLE missions protected Americans across the country.

Aeromedical Evacuation

AMC continued its role as lead command for aeromedical evacuation (AE), focusing on the fixed wing movement of patients across the globe. In addition to on-going AE support to USCENTCOM, AMC and AMC-gained AE forces provided aeromedical personnel to Operation ENDURING FREEDOM training teams and for non-traditional air ambulance missions. Within CONUS, AMC forces continued the onward movement of Operations ENDURING FREEDOM and IRAQI FREEDOM casualties back to their units and homes.

Patient Movement

As the DOD single manager for recommending policy and developing standardized procedures for patient movement, USTRANSCOM continued groundbreaking work in fiscal year 2007. Critical to this effort was chartering the Global Patient Movement Joint Advisory Board, signed by the Commander, USTRANSCOM and the Assistant Secretary of Defense for Health Affairs. The Advisory Board tackled critical issues and identified solutions, including: joint critical care transport capability; standardization of Patient Movement Requirements Centers; and, consistent contingency planning for patient movement. Additionally, the USTRANSCOM Surgeon inserted quality, real-time patient movement scenarios into our exercises, ensuring we train the way we fight, and developed safety command metrics to highlight improvements to the patient movement system. USTRANSCOM is leading a major transformation, resolving long-standing deficiencies, and strengthening the joint efforts of global patient movement across Services and through all levels of patient care.

Through close coordination with US Northern Command and our air component, AMC, the surgeons' office has worked to solidify our homeland response to major disasters, incidents of national significance, terrorist attacks, and other emergencies. Detailed plans have been developed to ensure the DOD response for patient movement is what we need, when we need it, and with clearly delineated command and control responsibilities to ensure successful outcomes. This is no small feat; homeland response for patient movement is affected by many unique challenges, all of which must be thoroughly synchronized through multiple DOD, Department of Homeland Security, Department of Health and Human Services, and Department of Veterans Affairs offices.

FY07 Patient Movement Requests

Urgent	515
Priority	2,486
Routine	21,646

(In remarks at the Pacific Northwest National Security Forum in Tacoma, Washington, General Schwartz related the following vignette about a Marine's evacuation from Iraq. This vignette illustrates one of USTRANSCOM's vital missions and typifies General Schwartz's commitment that a promise made will be a promise kept.)

"It's November 15th. You're in Iraq. You're a Marine Lance Corporal on patrol somewhere north of Balad. You've just checked your watch, you're aware that it's just a few minutes before midnight, there's a little moonlight, it's cold, and it's very, very quiet.

"Suddenly, your world is upside down. You're on the ground and you don't know how you got there. You're beginning to put it together and it's making you sick to think about it. Your head hurts, there's blood all over your face, you can't see much, you can't get up. The muffled explosions in your head and the smell of cordite tell you that your squad is returning fire.

"What you don't know is how severely wounded you are. You don't know that if a fragment from that Improvised Explosive Device moves—even imperceptibly—you're going to lose use of your left eye.

"Within just a few moments your squad has called in a medevac chopper and minutes later you're airborne in the black sky.

"By 0230, the surgeons at the theater hospital in Balad have finished examining you. You're going to make it, but they know that to save your vision you'll need the immediate services of the expert surgical staff at the National Naval Medical Center in Bethesda, Maryland.

"By 0315, Transportation Command Global Patient Movement Requirements Center—half a world away at Scott Air Force Base—receives the 'urgent' patient movement request from the medical pros at Balad.

"By noon, you're on a special airlift mission, coordinated by dozens of incredibly focused, dedicated people en route to Ramstein Air Base, Germany. Arriving at 1705, you're evaluated on the ramp and cleared to continue home aboard a special US-bound mission, launched within the hour.

"By 0345 November 16, you've landed at Andrews Air Force Base, outside Washington, DC. A few minutes later you're at Bethesda, the surgical team's assembled.

"From the time you were lying in the sand until you were treated by world-class doctors 6,000 miles away, 28 hours have elapsed, and on every leg of that medical evacuation, some of the best medical talent on the planet has been at your side."

(Although not reprinted here, the story ends with the Marine's successful surgery at Bethesda and his return to duty.)



Photo by Staff Sergeant Michael R. Holzworth

Staff Sergeant Katie Hagemeier, 332nd Medical Group, Contingency Aeromedical Staging Facility, checks IV fluid of a patient about to be loaded onto a C-17 Globemaster III aircraft at Balad Air Base, Iraq.

A photograph showing the interior of a large military transport aircraft, likely a C-17 Globemaster III. The aircraft is filled with soldiers in camouflage uniforms and helmets, some standing and some sitting on pallets. Military equipment, including large white shipping containers (palletized loads), is stacked throughout the cargo hold. The lighting is bright, coming from overhead fixtures, creating a hazy atmosphere. The aircraft's interior walls and ceiling are visible.

The United States Transportation Command...

...implementing world-class deployment
and distribution solutions...

A group of soldiers in camouflage uniforms and orange safety vests are standing outdoors. One soldier in the foreground is wearing a yellow reflective vest and has his hands on his hips. Two other soldiers are standing behind him, also wearing orange vests. They appear to be in a field or industrial setting with some equipment visible in the background.

**...globally projecting
national security capabilities...**

**...enabling our nation to display its
resolve quickly, anywhere in the world.**

Enabling Deployment and Distribution Transformation

"We are almost as much about moving information as we are about moving stuff."

*General Norton A. Schwartz
Commander, USTRANSCOM*

"Our success at converging management of these two systems will give us better business processes at the distribution centers and ports, and will build the confidence of our warfighting clients in our reliability."

*Lieutenant General Robert T. Dail
Director, DLA*

End-to-End Common Operational Information and Technology Capabilities Across the JDDE

USTRANSCOM continues to move out smartly on DPfM initiatives in collaboration with our National Partners to deliver effective, efficient distribution solutions across the JDDE. We are transforming enterprise processes and systems to deliver more precise, agile, and reliable distribution capabilities and information visibility to warfighters sooner, while simultaneously recapitalizing to implement more efficient enterprise information technology that saves money and/or avoids costs.

Major initiatives for 2007 included Integrated Data Environment/Global Transportation Network (IDE/GTN) Convergence implementation support, Theater Distribution Management, and Common Operating Picture (Distribution and Deployment).

IDE/GTN Convergence

Delivering on the promise to provide the Warfighter improved visibility of transportation data and in-transit visibility of personnel and materiel, Global Transportation Network (GTN) delivered improved visibility of motor carrier on time delivery performance. The Motor Carrier Compliance capability allows SDDC and other GTN users to determine exactly which government-contracted commercial truck carriers are submitting electronic statuses of high volume, repetitive freight shipments from the Defense Logistics Agency (DLA) depots and the major military service shipping activities.

To achieve the Motor Carrier Compliance capability, GTN uses data services from DLA's Integrated Data Environment (IDE) program, a key step toward IDE and GTN convergence. IDE/GTN Convergence, or IGC, is a DLA/USTRANSCOM partnership initiative providing a single point of access to decision support-related data and information. The partnership will endeavor to further integrate defense supply chain, logistics, transportation, and distribution-related data and information technology services to benefit the Warfighter.

Theater Distribution Management

The objective of Theater Distribution Management (TDM) is to improve existing theater distribution by recommending the best approach for DOD to deliver the enhanced capabilities specified in Transportation Coordinators-Automated Information for Movements System II (TC-AIMS II) requirements while maintaining TC-AIMS II unit move capabilities.

USTRANSCOM delivered TDM Portable Deployment Kits (PDKs) to US Central Command (USCENTCOM) for operational evaluation in June 2007. The PDKs are laptop computers loaded with Iridium modems, TC-AIMS II, Cargo Movement Operations System, middleware, and Automatic Identification Technology (AIT) (including Barcode, Radio Frequency Identification (RFID) readers). This initiative improved USCENTCOM warfighter capabilities for theater distribution, redeployment, and redistribution to support operations in Iraq and other locations. It also resulted in improved sustainment movement visibility across theater distribution nodes.

Common Operating Picture (Distribution and Deployment)

This capability provides access to multiple applications through the Global Combat Support System-Combatant Commander/Joint Task Force (GCSS-CC/JTF) portal with one userid/password or Public Key Infrastructure single sign-on. The November 2006 Common Operating Picture (Distribution and Deployment) Business Case Analysis identified a single sign-on capability through the GCSS-CC/JTF portal as a valuable application to the warfighter, resulting in the identification of five initial partner systems:

- Asset Visibility
- Global Transportation Network
- Intelligent Road Rail Information Server
- Radio Frequency In-transit Visibility
- Single Mobility System

As fiscal year 2007 closes, DPfM is scheduled to deliver a Common Operating Picture (Distribution and Deployment) initial operating capability in the fall of 2007 that enables single sign-on to existing Common Operating Picture capabilities through the GCSS web portal.

In addition to these major initiatives, USTRANSCOM DPfM is also working the following focus areas:

- **Single DOD Port Operations & Manifesting System**

The convergence of the Global Air Transportation Execution System (GATES) and the Worldwide Port System (WPS) into a single system provides joint response team warfighters with a single suite of capabilities that will support both aerial and water port processes. Initial operational capability is projected for November 2007, with full operational capability in early fiscal year 2009.

- **Deployment Distribution Operations Center Command and Control Fusion Center Transformation Support**

USTRANSCOM performed comprehensive mapping of current air and surface component Command Center business processes and identified associated information technology requirements this year. Purpose of this initiative is to streamline, improve, and transform air and surface transportation Command Center operations in conjunction with movement of SDDC to Scott Air Force Base as part of Base Realignment and Closure.

- **Platform Management**

USTRANSCOM started this effort in February 2007 to recommend the way ahead for an automated Joint Intermodal Platform Management System (JIPMS) capability. JIPMS will be used to manage and track intermodal platforms like containers, pallets, flat racks, etc.

- **Defense Personal Property System (DPS)**

The next generation DOD personal property shipment system, DPS will be a web-based, interactive system that replaces numerous legacy applications. USTRANSCOM plans to achieve an initial operational capability in late 2007.

- **Distribution Data Management**

USTRANSCOM selected TDM as the Distribution Data Management pilot project to improve information visibility, and began implementing Services-Oriented Architecture in June 2007.

- **Distribution Portfolio Review Process (DPRP)**

USTRANSCOM collaborated in detail with our National Partners throughout 2007 to review distribution and distribution-related systems and completed highly productive visits with the Services and DLA. The command wants to understand completely the collective way ahead for them in order to map out the best way to reach its systems transformation goals.

Emerging Science and Technology

As the DPO, USTRANSCOM leverages the scientific community through its investment in innovative technology development to enhance customer support through improved logistics and supply chain capabilities. The command's Research, Development, Test, and Evaluation (RDT&E) program, established in 2006, provides a limited budget to explore current and emerging technologies to develop joint solutions to JDDE identified and validated capability gaps. This program works with the Services, defense agencies, combatant commands, national laboratories, select non-DOD government organizations, industry, and academia to provide the warfighter with superior supply chain performance and world-class logistical support.

The program, though only in its infancy, is already providing a real-world, measurable impact in the Central Command theater. The Joint Precision Airdrop System-Mission Planner (JPADS-MP) is a laptop software package that significantly increases the accuracy of airdropped supplies. Considered "mission critical" by Operations IRAQI FREEDOM and ENDURING FREEDOM operating forces, the Mission Planner, with over 500 systems being procured, provides ground force commanders with the ability to resupply operating units in remote locations inaccessible by conventional ground convoys. With over 300 systems purchased and supporting operations in Iraq and Afghanistan, the Deployable Cargo Screener (DCS) is a hand-held detection device used to screen for explosives. DCS technologies are also being incorporated into Service robotics for enhanced force protection capabilities. For additional information regarding our current projects, plans, and processes, visit the RDT&E website at <http://rdte.transcom.mil>.



Photo by Sr. Airman Brian Ferguson

A JPADS floats to the ground over Afghanistan. JPADS will allow conventional military aircraft to accurately drop supplies onto the battlefield while minimizing risk to ground forces and aircraft.

"When fully developed, the JDDE will be a single unified enterprise with well-defined authorities, metrics, business rules, and integrated capabilities that can precisely and reliably see and direct the flow of forces and sustainment."

General Norton A. Schwartz,
Commander, USTRANSCOM

Enabling Deployment and Distribution Transformation

Adapting Our Business Approach

"DEAMS is a key part of the array of improvements we are making to the distribution process. The work being done here is vital to our warfighters and the Nation."

*General Norton A. Schwartz
Commander, USTRANSCOM*

In fiscal year 2007, USTRANSCOM did what 90 percent of commercial companies have been doing for years to save money, obtain efficiencies, improve levels of service and gain better asset visibility—it joined the skyrocketing growth industry of third party logistics (3PL) services. This \$110 billion 3PL services industry is primed for another year of double-digit growth because of the success of the value-added services 3PLs can provide.

The Defense Transportation Coordination Initiative (DTCI) will transform the way DOD freight is managed and moved in the continental US. DTCI is a domestic freight initiative that leverages current commercial capabilities and proven best practices. DTCI will increase operational effectiveness through load optimization and consolidation, provide better customer support through a centrally-managed distribution process, and reduce costs and achieve efficiencies. All this adds up to the best possible support to the warfighter.

The DTCI Coordinator, or commercial 3PL, is required to maintain a specific level of performance for key indicators such as on-time pickup and delivery, loss and damage of freight, and IT systems availability. Performance monitoring of the DTCI contract supports the command's goal to develop meaningful distribution metrics and customer focused performance standards to show how well we meet warfighter requirements. DTCI implementation will begin in fiscal year 2008 with a phased, "safe-start" approach that includes Program Management Reviews to review lessons learned from implementation. Phase I includes all 18 Defense Distribution Centers beginning with Puget Sound, Washington. Phase II includes 33 Service sites co-located with the DDC sites. Phase III includes 16 other Service sites.

Savings are expected in the range of \$40-60 million per year.

Defense Enterprise Accounting and Management System

The Defense Enterprise Accounting and Management System (DEAMS) transitioned from planning and development to reality as the program launched Spiral 1 in late July, replacing the Automated Business Services System for commitment accounting at USTRANSCOM and several other Scott Air Force Base units. This historic milestone was reached after months of intensive testing and training to ensure both the new program and those affected by it were ready.

DEAMS was launched in August 2003 as a joint initiative of the US Air Force, USTRANSCOM, and the Defense Finance and Accounting Service under what is now the Defense Department's Business Transformation Agency. The DEAMS mission is to support the nation's warfighters with timely, accurate, and reliable financial information enabling efficient and effective decision making by DOD managers in the execution of their duties as responsible stewards of the public trust. DEAMS will reengineer financial management activities using a unified enterprise architecture, standardized business rules and processes, and the Standard Financial Information Structure.

DEAMS implementation uses a two-increment development approach in six spirals. Spiral 1 was a technology demonstration that included USTRANSCOM; Headquarters, AMC; and Air Force active duty, Air National Guard and Air Force Reserve tenant organizations at Scott Air Force Base. Spiral 2 will apply the full Oracle® I-Procurement capability to those same units. Spiral 3 will take that capability to the remainder of the AMC bases, SDDC and MSC. Increment 2 involves implementation to the remaining Air Force major commands in three successive spirals following contract award in fiscal year 2008.

Transportation Tracking Number

Over the past 20 years, the DOD planning and execution community has sought to compare actual execution detail with planned movement. However, the Joint Operation Planning and Execution System (JOPES) planning domain and the Defense Transportation System execution domain are significantly different.

USTRANSCOM and US Joint Forces Command have launched a 3-year research and development project titled Transportation Tracking Number (TTN), which will investigate the implementation of a FedEx-like, unique transportation identifier for unit moves. The TTN will serve as the "glue" that keeps the business information together. Through the implementation of TTN, updates to deployment doctrine and policy changes, data standardization efforts, or business rules updates will not affect the deployment systems ability to provide a "planned versus actual" view of the transportation closure of a force or capability supporting an operation. The TTN premise is that the use of an assured process to assign and use unique tracking numbers for unit cargo movements will improve execution tracking of units throughout their deployments. The new, unique identification number will add value to the existing transportation control number (TCN), unit identification code (UIC), and unit line number (ULN) through its guaranteed uniqueness to the requirement. It will be compatible with all of the numerous existing (with sufficient legacy system reengineering) and future tracking systems used by DOD and its commercial and coalition partners.

The Joint Staff J3 has been instrumental in "jump starting" this initiative. DISA has begun building and testing a Prototype Transportation Tracking Number Generator and Service Repository. Prototype testing will be completed in December 2007.



Photo by Corporal Michael J O'Brien

US Marine Lance Corporal James G. Molinari, a heavy equipment operator from Combat Logistics Battalion 2, operates a Terex forklift to offload trucks carrying supplies at Camp Haditha, Iraq.

Financial Performance

USTRANSCOM's Transportation Working Capital Fund

USTRANSCOM's Transportation Working Capital Fund ended fiscal year 2007 with increased costs and revenue due to another year of support of the Global War on Terrorism and other emerging contingency and humanitarian operations. The additional workload resulted in higher operating results than planned. The \$10.3 billion in fiscal year 2007 revenue would place USTRANSCOM 230th on the United States' Fortune 500 companies list.

Net Operating Result			
	Actual FY07	Planned FY07	Variance FY07
Revenue	\$10,261.0	\$10,235.9	\$25.1
Expense	\$9,729.5	\$10,274.3	(\$544.8)
NOR	\$531.5	(\$38.4)	\$569.9

(Dollars in Millions)



Photo by Staff Sergeant April Quintanilla

C-17 Globemaster IIIs prepare to launch at Charleston Air Force Base, SC.

AMC's Financial Performance

AMC's premier focus is providing unrivaled global mobility—speed, agility, and precision—to the combatant commands, Services, and DOD forces worldwide. The financial mechanism enabling responsive air mobility operations, the Transportation Working Capital Fund, provides the necessary flexibility to maintain daily global airlift, aerial refueling, and patient movement. Nevertheless, efficient management is challenging in today's dynamic fiscal environment and ongoing mobility operations supporting the Global War on Terrorism.

AMC supports the global supply chain enterprise through its channel system of scheduled airlift between the worldwide aerial port networks. In fiscal year 2007, channel airlift moved 333,300 short tons of materiel, representing 47 percent of all cargo airlifted. AMC's channel airlift has proven itself a key link in the system of Integrated Distribution Lanes, as the command continued its participation in establishing a synchronized, worldwide distribution enterprise.

In addition to the channel system, AMC operated 19,598 contingency and Special Assignment Airlift Missions in response to warfighter and other DOD requirements across the globe. A significant number of air mobility missions were supported by commercial airline partners, also members of the Civil Reserve Air Fleet and vital partners in providing air mobility to America.

Global customer focus, responsive planning and execution, and creative management are the hallmarks of AMC's performance. AMC worked nonstop throughout fiscal year 2007 to ensure complete effectiveness in meeting customer needs while tackling its fiscal responsibility to the Nation to maximize the efficient use of its resources.

Net Operating Result			
	Actual FY07	Planned FY07	Variance FY07
Revenue	\$7,386.6	\$7,344.6	\$42.0
Expense	\$7,163.2	\$7,341.3	(\$178.1)
NOR	\$223.4	\$3.3	\$220.1

(Dollars in Millions)

MSC's Financial Performance

MSC continued to support US efforts in the Global War on Terrorism through the Transportation Working Capital Fund, facilitating the delivery of combat equipment and supplies to US and coalition warfighters in the Central Command area of responsibility. Using both government-owned, contractor-operated and contractor-owned, contractor-operated ships, MSC merchant mariners delivered the combat vehicles, fuel, munitions, supplies and spare parts needed to pursue US security goals. In fiscal year 2007, MSC continued its realignment within the Navy force structure while gearing up to support the Joint Deployment Distribution Operations Center at USTRANSCOM. MSC is providing maritime transportation specialists and Navy officers to staff a detachment co-located with AMC and SDDC partners. Supporting the JDDE, the MSC detachment will be part of an integrated system capable of providing prospective joint force commanders with the ability to rapidly and effectively move and sustain joint forces in support of major combat operations or other joint operations worldwide.

Net Operating Result			
	Actual FY07	Planned FY07	Variance FY07
Revenue	\$739.7	\$949.2	(\$209.5)
Expense	\$703.4	\$1,021.0	(\$317.6)
NOR	\$36.3	(\$71.8)	\$108.1

(Dollars in Millions)

Photo by Edward Baxter



An Indonesian army ambulance, repainted with UN peacekeeping colors, is loaded aboard MSC-chartered vessel SS Wilson for delivery to Indonesian forces in Lebanon.

SDDC's Financial Performance

Fiscal year 2007 was a challenging year for SDDC. Two transformation efforts greatly affected SDDC's Transportation Working Capital Fund along with the continuing Global War on Terrorism. Throughout the fiscal year, SDDC personnel worked to revise the Command's Strategic Plan to ensure it supported the Commanding General's mission, vision, core competencies, and objectives, as well as identifying and aligning the resources required to support it. In addition, the initial relocation of SDDC personnel from the headquarters and Transportation Engineering Agency (TEA) to Scott Air Force Base, as directed by Base Realignment and Closure (BRAC) 2005, began in earnest in July 2007. Once SDDC completes its BRAC relocation and implementation of supporting initiatives in 2010, the Command will realize significant savings attributable to the synergies realized by having its headquarters and TEA collocated as well as the consolidation of back shop functions.

During the course of the fiscal year, SDDC initiated business process changes that eliminated the duplication of inputting labor information, implemented the Defense Travel System across the Command, and continued implementation of the Workload Tool throughout the Command to provide timely information on resources expended to support mission requirements. All these changes either directly or indirectly resulted in reduced costs to the working capital fund.

As SDDC looks to the future, it will continue to provide the warfighter tailored and agile capability and sustainment solutions through the effective and efficient management of its resources.

Net Operating Result			
	Actual FY07	Planned FY07	Variance FY07
Revenue	\$1,827.6	\$1,611.2	\$216.4
Expense	\$1,562.1	\$1,590.1	(\$28.0)
NOR	\$265.5	\$21.1	\$244.4

(Dollars in Millions)

Photo by Lance Corporal Christa Bridges



A High Mobility Multi-purpose Wheeled Vehicle being loaded onto US Army rail car.

"Our move to Scott Air Force Base improves our support to the Warfighter. As well it will help serve as the catalyst we need to drive change."

*Major General Kathleen M. Gainey,
Commanding General, SDDC*

Component Performance by Business Area

AMC

Definition of Business Areas:

PAX	Passenger airlift from CONUS to OCONUS along scheduled routes
Cargo	Shipment of cargo from port to port or from depot to customer along scheduled routes
SAAM	Special Assignment Airlift
	Mission: rental of entire aircraft to move cargo and/or passengers
Exercise	Rental of entire aircraft in support of Joint Chiefs of Staff exercises
Training	Air Force/Air Force Reserves purchase of flying hours to train crews

AMC Net Operating Result			
	Revenue	Expense	NOR
PAX	\$192.1	\$266.1	(\$74.0)
Cargo	\$1,904.5	\$2,329.9	(\$425.4)
SAAM	\$4,636.1	\$3,859.2	\$776.9
Exercise	\$101.8	\$102.7	(\$0.9)
Training	\$552.1	\$605.3	(\$53.2)
TOTAL	\$7,386.6	\$7,163.2	\$223.4

(Dollars in Millions)

MSC

Definition of Business Areas:

Cargo	Movement of DOD dry cargo
Tankers	Movement of DOD bulk petroleum products
Surge	Strategic lift capabilities used for contingencies and Joint Chiefs of Staff exercises
Prepo	Prepositioning support placing military equipment and supplies in key ocean areas prior to contingencies

MSC Net Operating Result			
	Revenue	Expense	NOR
Cargo	\$159.4	\$145.1	\$14.3
Tankers	\$140.1	\$139.3	\$0.8
Surge	\$205.7	\$184.2	\$21.5
Prepo	\$234.5	\$234.8	(\$0.3)
TOTAL	\$739.7	\$703.4	\$36.3

(Dollars in Millions)

SDDC

Definition of Business Areas:

Port Operations	Vessel loading and discharging operations, cargo staging and stow planning, documentation, and oversight of stevedore services
Traffic Management	Direction, control, and supervision of all traffic, freight management, and transportation services
GPC	Booking and movement of privately owned vehicles (POV) under the Global POV Contract
Liner	Ocean movement of DOD cargo by scheduled commercial ocean carrier service
Reimbursable	Cost reimbursable services provided to customers

SDDC Net Operating Result			
	Revenue	Expense	NOR
Port Ops	\$171.8	\$305.5	(\$133.7)
TFC Mgt	\$96.3	\$93.0	\$3.3
Global POV	\$182.0	\$177.6	\$4.4
Liner	\$1,362.9	\$971.9	\$391.0
Reimbursable	\$14.6	\$14.1	\$0.5
TOTAL	\$1,827.6	\$1,562.1	\$265.5

(Dollars in Millions)

Photo by Airman First Class Nathan W. Lipscomb



Airman First Class Thomas Hickey (left) and Senior Airman Ryan Yarton push a pallet of cargo into a US Air Force C-17 Globemaster III aircraft at Incirlik Air Base, Turkey. Hickey and Yarton, attached to the 728th Air Mobility Squadron, are helping to move some 94,000 pounds of cargo in a joint effort with Turkish civilians to support the Afghan Army.

Photo by Commander Vincent Clifton



Sailors assigned to Navy Cargo Handling Battalion One conduct cargo handling operations off the MSC Command ship MV American Tern during Operation DEEP FREEZE at McMurdo Station, Antarctica.

Photo by June Pagan



Reservists practice loading railcars during an exercise at Fort Eustis, VA.

Appendix

Department of Defense United States Transportation Command

Statement of Financial Condition (Dollars in Millions)

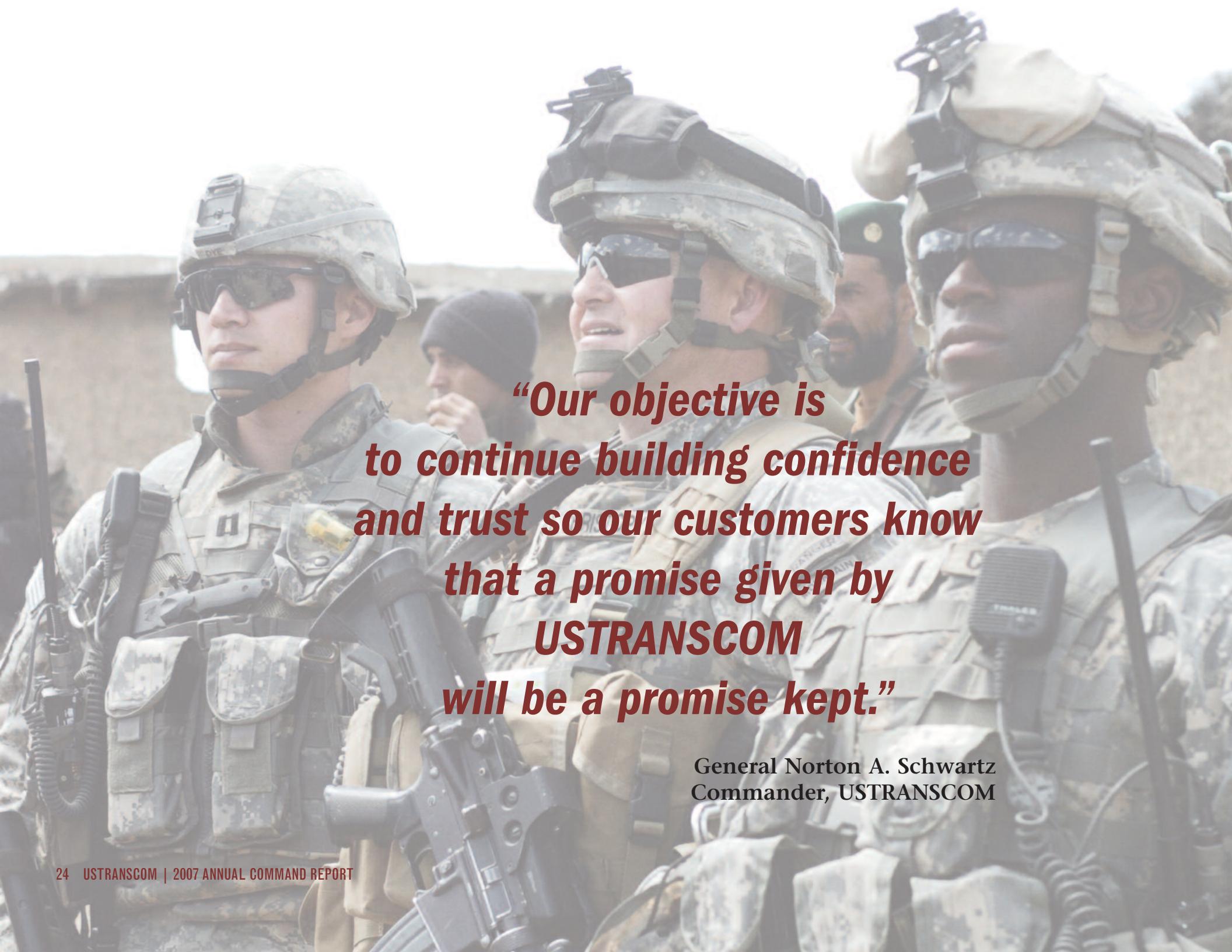
	FY 2007	FY2006*
Assets:		
Cash	\$418.1	\$23.0
Available for Operations	\$206.0	(\$148.7)
Required for Capital Purchases	\$212.1	\$171.7
Accounts Receivable	\$1,294.1	\$1,161.2
Advances Made	\$18.0	\$12.6
Operating Material and Supplies	\$0.6	\$0.6
Capital Property (Net)	\$1,023.0	\$1,002.6
Total Assets	\$2,753.8	\$2,200.0
Liabilities:		
Accounts Payable	\$1,005.9	\$1,156.3
Accrued Liabilities	\$36.9	\$34.2
Other Liabilities	\$206.6	\$299.0
Total Liabilities	\$1,249.4	\$1,489.5
Government Equity:		
Paid-in-Capital	(\$1,360.5)	(\$1,618.5)
Accumulated Operating Results	\$2,864.9	\$2,329.0
Total Government Equity	\$1,504.4	\$710.5
Total Liabilities and Equity	\$2,753.8	\$2,200.0

*FY2006 restated to include Command Staff

Statement of Revenue and Expenses
(Dollars in Millions)

	FY 2007	FY2006*
Revenue:		
Gross Sales	\$10,330.0	\$10,236.7
Operations	\$10,109.9	\$10,011.0
Depreciation	\$220.1	\$225.7
Other Income	\$0.4	\$300.6
Refunds/Discounts	(\$69.4)	(\$50.0)
Total Income	\$10,261.0	\$10,487.3
Expenses:		
Salaries and Wages:		
Military Personnel Compensation & Benefits	\$34.9	\$33.3
Civilian Personnel Compensation & Benefits	\$326.3	\$313.3
Travel and Transportation of Personnel	\$152.9	\$169.6
Materials and Supplies	\$1,888.8	\$1,600.4
Equipment	\$7.7	\$14.8
Transportation of Things	\$1,234.2	\$1,029.0
Depreciation – Capital	\$220.1	\$225.7
Printing and Reproduction	\$0.7	\$0.8
Rent, Communications, Utilities, and Misc Charges	\$38.9	\$29.5
Other Purchased Services	\$5,825.0	\$6,617.1
Total Expenses	\$9,729.5	\$10,033.5
Net Operating Result	\$531.5	\$453.8
Depreciation on Non-TWCF Acquired PP&E	\$4.5	\$0.0
Beginning AOR	\$2,329.0	\$1,875.2
Prior Year Adjustments	\$0.0	\$0.0
Accumulated Operating Result	\$2,865.0	\$2,329.0

*FY2006 restated to include Command Staff



*“Our objective is
to continue building confidence
and trust so our customers know
that a promise given by
USTRANSCOM
will be a promise kept.”*

General Norton A. Schwartz
Commander, USTRANSCOM

United States Transportation Command

General Norton A. Schwartz

US Air Force

Commander, United States Transportation Command



General Arthur J. Lichte

US Air Force

Commander, Air Mobility Command



Rear Admiral Robert D. Reilly, Jr.

US Navy

Commander, Military Sealift Command



Major General Kathleen M. Gainey

US Army

Commanding General, Military Surface Deployment and Distribution Command





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